

Senate File 278 - Enrolled

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SENATE FILE 278

AN ACT

RELATING TO CHANGES IN THE UTILITY REPLACEMENT TAX LAW BY
REDEFINING A NEW ELECTRIC POWER GENERATING PLANT, EXTENDING
THE LIFE OF THE UTILITY REPLACEMENT TAX TASK FORCE, AND
REQUIRING NOTIFICATION BY THE TAXPAYER TO THE DEPARTMENT OF
REVENUE AND LOCAL TAXING DISTRICT UPON TRANSFER OF UTILITY
PROPERTY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 437A.3, subsection 11, unnumbered
paragraph 2, Code 2007, is amended to read as follows:

"New electric power generating plant" means ~~an~~ any of the
following:

a. An electric power generating plant that is owned by or
leased to an electric company, electric cooperative, or
municipal utility, and that initially generates electricity
subject to replacement generation tax under section 437A.6 on
or after January 1, 2003.

b. An electric power generating plant that is owned by or
leased to an electric company, electric cooperative, or
municipal utility, that initially generated electricity
subject to replacement generation tax under section 437A.6
before January 1, 2003, and that is sold, leased, or
transferred, in full or in part, on or after January 1, 2003.
If any portion of an electric power generating plant is sold,
the entire plant shall be treated as if it were a new electric
power generating plant.

Sec. 2. Section 437A.15, subsection 7, unnumbered
paragraph 2, Code 2007, is amended to read as follows:

The task force shall study the effects of the replacement
tax on local taxing authorities, local taxing districts,
consumers, and taxpayers through January 1, ~~2007~~ 2010. If the
task force recommends modifications to the replacement tax
that will further the purposes of tax neutrality for local
taxing authorities, local taxing districts, taxpayers, and
consumers, consistent with the stated purposes of this
chapter, the department of management shall transmit those
recommendations to the general assembly.

Sec. 3. Section 437A.19, subsection 1, paragraph a, Code
2007, is amended to read as follows:

a. A taxpayer whose property is subject to the statewide
property tax shall report to the director by July 1, 1999, and
by May 1 of each subsequent tax year, on forms prescribed by
the director, the book value, as of the beginning and end of
the preceding calendar year, of all of the following:

(1) The local amount of any major addition by local taxing
district.

(2) The statewide amount of any major addition without
notation of location.

(3) Any building in Iowa at acquisition cost of more than
ten million dollars ~~which that~~ was originally placed in
service by the taxpayer prior to January 1, 1998, and ~~which~~
~~that~~ was transferred or disposed of in the preceding calendar
year, ~~without notation of location by local taxing district.~~

(4) Any electric power generating plant in Iowa at
acquisition cost of more than ten million dollars ~~which that~~
was originally placed in service by the taxpayer prior to
January 1, 1998, and ~~which that~~ was transferred or disposed of
in the preceding calendar year, ~~without notation of location~~
~~by local taxing district.~~

(5) All other taxpayer property without notation of
location.

(6) The local amount of any major addition eligible for
the urban revitalization exemption provided for in chapter
404, by situs.

(7) All other transferred taxpayer property, in addition
to any transferred property reported under subparagraphs (3)
and (4), by local taxing district.

Sec. 4. Section 437A.19, subsection 2, paragraphs b and c,
Code 2007, are amended to read as follows:

3 4 b. (1) Adjust the assessed value of taxpayer property in
3 5 each local taxing district by allocating the change in book
3 6 value during the preceding calendar year of the statewide
3 7 amount and all other taxpayer property described in subsection
3 8 1, paragraph "a", subparagraph (5), to the assessed value of
3 9 all taxpayer property in the state pro rata according to its
3 10 preadjustment value. Any value for a taxpayer owning, or
3 11 owning an interest in, a new electric power generating plant
3 12 in excess of a local amount, where such taxpayer owns no other
3 13 taxpayer property in this state, shall not be allocated to any
3 14 local taxing districts.

~~3 15 (2) If, during the preceding calendar year, a taxpayer~~
~~3 16 transferred an electric power generating plant or an interest~~
~~3 17 in an electric power generating plant to a taxpayer who owned~~
~~3 18 no other taxpayer property in this state as of the end of such~~
~~3 19 preceding calendar year, in lieu of the adjustment provided in~~
~~3 20 subparagraph (1), the director shall allocate the transferee~~
~~3 21 taxpayer's change in book value of the statewide amount during~~
~~3 22 such preceding calendar year, if any, among local taxing~~
~~3 23 districts in proportion to the allocation of the transferor's~~
~~3 24 assessed value among local taxing districts as of the end of~~
~~3 25 such preceding calendar year.~~

3 26 c. In the case of taxpayer property described in
3 27 subsection 1, paragraph "a", subparagraphs (3), ~~and~~ (4), ~~and~~
3 28 (7), decrease the assessed value of taxpayer property in each
3 29 local taxing district by the ~~taxable assessed value of such~~
3 30 ~~property within each such local taxing district on January 1,~~
3 31 ~~1998 reported within such local taxing district.~~

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4 1 JOHN P. KIBBIE
4 2 President of the Senate
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4 6 PATRICK J. MURPHY
4 7 Speaker of the House

4 8 I hereby certify that this bill originated in the Senate and
4 9 is known as Senate File 278, Eighty-second General Assembly.
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4 14 MICHAEL E. MARSHALL
4 15 Secretary of the Senate

4 16 Approved _____, 2007
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4 19 CHESTER J. CULVER
4 20 Governor